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Proposed

AMENDMENTS TO CONSTITUTION

PROPOSITIONS 18, 19 AND 20

Together With Arguments

To Be Submitted to the Electors
of the State of California at the

GENERAL ELECTION
TUESDAY, NOV. 3, 1970

Compiled by GEORGE H. MURPHY, Legislative Counsel
Distributed by H. P. SULLIVAN, Secretary of State

PART I — ARGUMENTS

18	MOTOR VEHICLE TAXATION AND REVENUES. Legislative Constitutional Amendment. Authorizes use of revenues from motor vehicle fuel tax and license fees for control of environmental pollution caused by motor vehicles, and for public transportation, including mass transit systems, upon approval of electorate in area affected, such expenditure limited to 25% of revenues generated in area, also 25% of revenues apportioned to city or county may be used for such purpose.	YES	
		NO	

(For Full Text of Measure, See page 1, Part II)

General Analysis by the Legislative Counsel *

A "Yes" vote on this measure is a vote to allow highway users tax revenues to be used, subject to certain conditions, for capital expenditures to facilitate public transportation, including payment of bonded indebtedness for mass transit systems, and for control of environmental pollution caused by motor vehicles. Such uses would be in addition to existing authorized uses for public highway purposes, including administration and enforcement of thereon.

A "No" vote is a vote to retain present constitutional restrictions which limit use of such revenues to uses for public highway purposes, including administration and enforcement of laws thereon.

For further details, see below.

Detailed Analysis by the Legislative Counsel *

Section 1 of Article XXVI of the California Constitution now restricts the use of revenues derived from taxes imposed by the state upon the manufacture, sale, distribution, or use of motor vehicle fuel for use in motor vehicles upon the public highways solely for the construction and maintenance of public highways. Section 2 of that article restricts the use of revenues derived from taxes or license fees imposed by the state upon motor vehicles or their operation for the construction and maintenance of public highways and the administration and enforcement of laws thereon. However, these limitations are not applicable to revenues derived from the sales and use taxes, the motor vehicle transportation license tax, or the vehicle license fee.

This measure, if approved, would add a Section 5 to the article to authorize the use

* Section 3566 of the Elections Code requires the Legislative Counsel to prepare an impartial analysis of each measure appearing on the ballot.

of these revenues available for state highway construction by counties or cities within counties for capital expenditures to facilitate public transportation, including mass transit systems and payment of principal and interest on any bonded indebtedness incurred for such systems, and would authorize the use of such revenues by transit districts for capital expenditures for mass transit systems and payment of principal and interest on any bonded indebtedness incurred for such systems, subject to the following limitations:

(a) Only 25 percent of such revenues generated in the county in the case of a county or single-county transit district, or in each of the counties in a multicounty transit district, that is available for state highway construction could be used in the county or district for such public transportation purposes.

(b) Such use would have to be approved by a majority of the votes cast on the proposition authorizing such use in an election held throughout the entire county in the case of a county or a single-county transit district, or throughout all of the counties in a multicounty transit district.

The proposed Section 5 would also authorize any city, city and county, or county to use up to 25 percent of the funds that are apportioned to it for city street or county highway purposes for capital expenditures to so facilitate public transportation, if such use is approved by a majority of the votes cast on the proposition authorizing such use in an election held in the city, city and county, or county.

The measure would also add a Section 6 to Article XXVI to authorize the use of highway users tax revenues for the control of environmental pollution caused by motor vehicles.

The measure would direct the Legislature to enact such legislation as is necessary to implement the above provisions.

Argument in Favor of Proposition 18

SCA 18 IS NECESSARY IF WE ARE TO DEAL WITH THE INCREASINGLY GRAVE PROBLEM OF AIR POLLUTION. Presently it is questionable that highway funds can be used for air pollution research and control. This constitutional amendment would clearly authorize such use.

IN ANOTHER RESPECT THIS MEASURE IS NECESSARY TO CONTROL AIR POLLUTION. We will never be able to deal with this problem if the number of automobiles continues to increase at the present rate. Every step we have taken so far has been nullified by the growing number of cars, and air pollution has grown worse even though we have added devices to cars and required changes in the production of automobiles and gasoline.

This measure allows areas to use a limited amount of highway funds to build or buy other transportation facilities. The limit is one-quarter of what each area produces in highway funds. The diversion of highway funds can only be done by a favorable vote of the people in the area.

In order to deal with air pollution in the most seriously affected areas, it is going to be necessary to use some highway funds to build pollution-free transit systems rather than to use them all to keep on building highways at the present ever-increasing rate. Also it is becoming apparent that we cannot solve our increasing traffic congestion problems with more freeways. Each new freeway is loaded to capacity in our urban areas the day it opens, and all of the rest of the system becomes increasingly overloaded.

THE TRANSPORTATION PROBLEMS OF RURAL AREAS ARE NOT ALL BEING SOLVED BY THE STATE HIGHWAY SYSTEM EITHER. In many counties the greatest need is for new arterials that are county roads or city streets. SCA 18 would provide funds for them.

Studies show that 87 percent of the travel on state highways terminates within the county of origin. It is clear now that the state highway system is now basically a local transportation system. We should not dictate to each area of California what kind of local system of transportation it must have, regardless of what air pollution, congestion, or other problems it may have. Yet that is what we are doing now.

It is appropriate that the voters should make this decision. After all, an overwhelming majority of voters in every area are licensed drivers. This amendment does not take anything away from the motorist. It

gives him the important right to say how his money is to be spent.

THIS MEASURE WILL ADD TO THE MONEY AVAILABLE TO SOLVE CALIFORNIA'S SEVERE TRANSPORTATION PROBLEMS. Congress is acting on legislation to provide matching funds for public transportation systems. This measure is needed so California's urban areas can qualify for these Federal funds.

THIS MEASURE IS SO DRAWN AS TO ALLOW ANY COUNTY OR CITY TO DIVERT FROM THE HIGHWAY SYSTEM ONLY MONEY WHICH WOULD BE SPENT WITHIN ITS OWN BOUNDARIES. In any case no area can touch money to be spent in other areas.

JAMES R. MILLS,

State Senator
40th Senatorial District

GEORGE W. MILIAS,
Assemblyman, 22nd District

MILTON MARKS,
State Senator
9th Senatorial District

Rebuttal to Argument in Favor of Proposition 18

California voters should not be misled into believing that Proposition 18 provides a method for obtaining additional Federal funds. The State Highway Fund is now barely solvent in its ability to meet Federal-Aid highway matching programs.

In the event that California diverts gas tax money for rail transit, the loss to the citizens of California will be compounded. California now receives less in Federal highway user tax dollars than it contributes. Diverting our own state and local money will merely accentuate the loss because of federal matching requirements and will not add one single dollar in solving transportation needs.

One of the major deficiencies of Proposition 18 is its attempt to saddle the motoring public with bonded indebtedness for building rail transit lines. The interest charges on the BART system alone, without regard to principal, could siphon off many millions of dollars annually. If a proposal, such as the \$2½ billion program suggested for Los Angeles, was approved, practically all of the motor vehicle taxes paid by California's motorists could be used for interest charges only—to say nothing of the repayment of principal on this enormous indebtedness.

If Proposition 18 is enacted and highway user taxes are diverted, California citizens will be faced with one of several unpleasant alternatives:

1. Transit proponents will endeavor to obtain substantial tax increases for their purposes, or
2. The State Highway and local road system will be allowed to deteriorate with resulting accidents, fatalities and congestion.

I urge you to vote "no" on Proposition 18.

RANDOLPH COLLIER
State Senator
1st Senatorial District

ROBERT H. BURKE
State Assemblyman
70th Assembly District

Argument Against Proposition 18

Article XXVI is the reason that California has the fine, safe highway system it enjoys today. Improvements must continue to keep pace with our growing population. To permit the use of highway tax funds for other than highway purposes would be a tragedy. For years attempts have been made to use gasoline tax money for welfare, flood control, unemployment benefits, and many other uses. This is just the first step in opening this fund for many other uses.

as tax revenues are not nearly adequate to meet our present needs. Never in my over thirty years in the Legislature, and twenty years as Chairman of the Senate Transportation Committee have I ever heard a City or County Representative testify that they had more street and highway funds than they needed. If any of the present gas tax money is used for construction of rapid transit systems it can only result in higher gasoline taxes. People will continue to demand improved highways; rapid transit is not a substitute for highways. Rapid transit systems require enormous sums of money. The 89 mile system proposed for Los Angeles would have cost the taxpayers over 5 billion dollars, and would only have served about 1 1/2% of the total person trips in the Los Angeles area. On the other hand, the freeway system in the Los Angeles area, which will eventually cost about 3 billion dollars, will serve over 40% of the total person trips in the Los Angeles area. Obviously this is a much better investment of your tax dollars.

Few realize that our freeway master plan adopted by the legislature in 1959 is only about 40% complete, and the remainder of that system may never be finished if we begin using highway gas tax money to finance rapid transit. Also, a rapid transit system would not appreciably reduce air pollution from automobiles, as few people will be willing to leave their cars and ride on a rapid transit line.

The proponents of this measure contend that it is necessary to amend the constitution to make monies available for the fight against air pollution. It should be clearly understood that this is not true. Monies have been appropriated by the legislature from motor vehicle registration and weight fees, both of which are protected by the constitution, and have been used to support the activities of the State Air Resources Board. In addition, the legislature has appropriated registration fees over the past few years for various specific research projects. The Legislative Counsel of the State has ruled that under the present constitutional provisions of Article XXVI, these funds may be used for air pollution research as long as it has some relationship to the operation or use of the automobile. Thus it is not necessary to use the gasoline tax for air pollution control, nor is it necessary to amend the State Constitution to use other motor vehicle taxes for this purpose.

I urge you to vote "NO" on Proposition 18.

RANDOLPH COLLIER
State Senator
1st Senatorial District

ROBERT H. BURKE
State Assemblyman
70th Assembly District

Rebuttal to Argument Against Proposition 18

The opposition arguments simply are not true.

The statement is made that there is no need to amend the Constitution to provide money to control air pollution, because the Legislature appropriates money for that purpose from motor vehicle registration and weight fees.

The money referred to comes from a surplus that is rapidly disappearing and will soon be gone. There soon will be no money for the fight against air pollution.

Senator Collier argues that passage will result in higher gasoline taxes. He is himself the chief sponsor for increased gasoline taxes now, because present State policy demands more and more millions every year.

Californians have spent more money on roads than any people in history. Now the highway lobby says we are falling further behind every year. They say the deficit is now \$13 billion and growing rapidly.

Rapid transit lines cost less to build than eight-lane freeways and carry three times as many people. Soon there will be Federal matching funds to cut transit costs to us by two-thirds. This brings transportation costs within reason.

The criticisms of the system proposed for Los Angeles were discredited long ago. In any case, the bond issue lost in a vote of the people, and all Proposition 18 does is provide for a vote of the people.

Local people should make local decisions. We should not dictate to the people of any part of California what kind of local trans-

portation they shall have, and how their tax money shall be spent.

JAMES R. MILLS,
State Senator
40th Senatorial District

GEORGE W. MILIAS,
State Assemblyman
22nd Assembly District

19 **USURY. Amendment of Usury Law Initiative Act, Submitted by Legislature. Deletes present misdemeanor penalty provisions for charging interest in excess of specified limits. Adds felony penalty provisions for an unlicensed or nonexempted person making or negotiating a loan providing for interest in excess of limits set by law.**

YES

NO

(For Full Text of Measure, See page 2, Part II)

General Analysis by the Legislative Counsel

A "Yes" vote on this measure is a vote to amend the initiative "usury law" to change the present criminal penalty for charging interest in excess of limits set by law in the making or negotiating of a loan from a misdemeanor to a felony punishable by not more than five years' imprisonment in the state prison or not more than one year in the county jail.

A "No" vote is a vote to retain the existing criminal penalties for charging excessive interest.

For further details, see below.

Detailed Analysis by the Legislative Counsel

This measure would amend those provisions of Section 3 of the "usury law," an initiative act approved by the electors November 5, 1918, which relate to the criminal penalties for violation of that law. Those provisions now make it a misdemeanor to take or receive interest or charges on the loan or forbearance of money, goods or things in action at a rate greater than that allowed by law. Persons convicted of this offense are punished for the first offense by a fine of not less than \$25 nor more than \$300, or by imprisonment for not more than six months, or by both. For each subsequent conviction for this offense, a person is punishable by a fine of not less than \$100 nor more than \$500 and by imprisonment for not less than six months nor more than one year. Furthermore, these penalties are imposed on each member of any unincorporated company, association, or partnership, and on each officer and director of a corporation who commits this offense.

This measure, if adopted, would delete the above provisions and provide that any person, who willfully makes or negotiates, for himself

or another, a loan with interest or charges in excess of that allowed by law, is guilty of a felony, punishable by imprisonment in state prison for not more than five years or in the county jail for not more than one year. Exempted from such provision are (1) persons who are licensed to make or negotiate loans for themselves or others, (2) persons who are expressly exempted from compliance with laws of this state with respect to such license or interest or other charges, and (3) any agent or employee of such persons who is acting within the scope of his agency or employment.

Argument in Favor of Proposition 19

Proposition 19 will strike at the second largest source of revenue of organized crime by making loan sharking a felony instead of a misdemeanor.

Loan sharking is the making or negotiating of a loan by an unlicensed or non-exempt person with interest and charges in excess of limits set by law.

According to the Task Force on Organized Crime of the President's Commission on Law Enforcement and Administration of Justice, loan sharking is a multi-billion dollar operation. In addition, much of the money obtained through other illegal activities is put out to loan sharks on the street for distribution. In this way criminals make their tainted money work for them.

The poor, members of minority groups and small businessmen are the most likely victims of this criminal practice. These individuals, unable to secure loans through normal channels, fall prey to the loan sharks who charge interest rates up to 150 percent a week.

Threatened with physical injury to themselves or their families if they fall behind in

even one payment, these victims may themselves begin a life of crime in a futile attempt to repay the loan.

With the enormous profits currently obtained through loan sharking the present penalty of a misdemeanor is completely inadequate.

This legislation should not be confused with another proposition on this ballot which is sponsored by certain lending institutions for the purpose of making needed changes in the law.

Vote YES on Proposition 19.

CHARLES J. CONRAD,
Speaker pro Tempore of
the Assembly

JOHN T. KNOX,
Member of the Assembly
Eleventh District

Argument Against Proposition 19

There can certainly be no argument which defends loan-sharking in itself. I voted against this measure primarily because the bill seemed to say that any person who was not licensed by the State was prohibited from charging more than 10½ percent for any small loan.

On the other hand, if the person or company is licensed by the State, they may charge up to 36 percent interest. Why should a bank, savings and loan, or industrial loan company be able to charge people three times for their money just because the State says they can? Apparently, the State presently has the power to give a license to charge exorbitant rates of interest.

The money still comes from the pockets of low and modest income people whose only crime is not having enough money to be able to pay the sudden heavy cost of medical, home, or automobile expense.

LEO J. RYAN,
Assemblyman, 27th District

20 **FOR THE RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT.** This act provides for a bond issue of sixty million dollars (\$60,000,000) to be used to meet the recreation and fish and wildlife enhancement requirements of the people of this state by planning and developing facilities for recreation and fish and wildlife enhancement purposes.

AGAINST THE RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT. This act provides for a bond issue of sixty million dollars (\$60,000,000) to be used to meet the recreation and fish and wildlife enhancement requirements of the people of this state by planning and developing facilities for recreation and fish and wildlife enhancement purposes.

(For Full Text of Measure, See page 3, Part II)

General Analysis by the Legislative Counsel

A "Yes" vote (a vote FOR THE RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT) is a vote to authorize the issuance and sale of state bonds in total amount not to exceed \$60,000,000 for planning and developing facilities at state water projects for recreation and fish and wildlife enhancement.

A "No" vote (a vote AGAINST THE RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT) is a vote to refuse to authorize the issuance and sale of state bonds for such purposes.

For further details, see below.

Detailed Analysis by the Legislative Counsel

This act, the Recreation and Fish and Wildlife Enhancement Bond Act, would authorize
(Continued on page 8, column 1)

Cost Analysis by the Legislative Analyst *

This ballot proposition authorizes a general obligation bond issue of \$60,000,000 to carry out the purposes of the existing Davis-Dolwig Act. These purposes are to pay the cost of onshore recreation facilities at the various units of the State Water Project and to provide new or increased (enhanced) fish and wildlife resources and access at reservoirs or along the waterways of the State Water Project.

The Davis-Dolwig Act states that the Legislature should appropriate General Fund money to finance recreation and fish and wildlife.
(Continued on page 8, column 2)

* Section 3566.3 of the Elections Code requires the Legislative Analyst to prepare an impartial analysis of each measure on the ballot which in his opinion involves additional cost.

Detailed Analysis by the Legislative Counsel

(Continued from page 7, column 1)

the issuance and sale of state bonds in total amount not to exceed \$60,000,000.

Bond proceeds would be used for planning and developing facilities for recreation and fish and wildlife enhancement in connection with state water projects. The act provides that not more than \$54,000,000 of the bond proceeds would be allocated to the Department of Parks and Recreation for the design and construction of recreation facilities, and not more than \$6,000,000 of the proceeds would be allocated to the Department of Fish and Game and the Wildlife Conservation Board for the design and construction of fish and wildlife enhancement features and fishing access sites.

The act creates the Recreation and Fish and Wildlife Enhancement Finance Committee, consisting of the Governor or his designee, the State Controller, the Director of Finance, the State Treasurer, and the Secretary of the Resources Agency, which shall, upon request of the Secretary of the Resources Agency, determine whether or not it is necessary or desirable to issue bonds for the purposes of the act, and, if so, the amount of bonds then to be issued and sold. The Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds authorized to be sold by the committee for the purposes of carrying out this act, to be repaid out of bond proceeds. However, bond proceeds could be expended only for projects for which funds are appropriated by the Legislature in a separate section of the Budget Act, except that appropriations for Wildlife Conservation Board projects which are developed cooperatively with and maintained by local government would not be required to be contained in this separate section.

The act further provides that the bonds, when sold, are to be general obligations of the state for the payment of which the full faith and credit of the state is pledged. It annually appropriates from the General Fund in the State Treasury the amount necessary to make the principal and interest payments on the bonds as they become due. The bonds would be issued and sold pursuant to the State General Obligation Bond Law.

Cost Analysis by the Legislative Analyst

(Continued from page 7, column 2)

life enhancement facilities at water projects constructed by the state. The required money has not been available from the General Fund and therefore all the needed appropriations have not been provided on a timely basis. This proposal would finance the planning and development of the remaining facilities with a bond issue. The bond issue would consist of \$54,000,000 to be appropriated by the Legislature as needed in a separate section of the Budget Bill to the Department of Parks and Recreation for onshore recreation facilities. The remaining \$6,000,000 is to be appropriated by the Legislature for use by the Wildlife Conservation Board, but these projects are not required to be in a separate section of the Budget Bill or to be itemized. No part of the construction costs of reservoirs or aqueducts could be financed from the bond issue.

Bulletin 117 of the Department of Water Resources indicates that in 1967 when the Resources Agency reviewed the proposed program for recreation and fish and wildlife enhancement at units of the State Water Project, the estimated cost over a fifty-year period was \$176.6 million. Since that time, the scope of the proposed facilities has been reduced substantially. At present, some camping, day use and boating facilities of a limited nature have been constructed at Frenchman, Antelope, Lake Davis, and Oroville. Day use and boating facilities have been constructed at Thermalito, Los Banos, San Luis and Del Valle. Significant appropriations have been made to initiate design and construction at Castaic and Silverwood. Although a start has been made in providing facilities at the various units of the State Water Project, in most cases funds are short of needs. Virtually no funds have been expended for fish and wildlife enhancement to date.

The Department of Parks and Recreation has prepared a tentative schedule of bond proceed expenditures. The schedule extends from 1971-72 to 1976-77 and shows expenditures averaging approximately \$10 million per year distributed over State Water Project units from the Upper Feather River to Perris Reservoir. The Wildlife Conservation Board has indicated locations of expenditures without showing amounts for the years 1971-72 to 1975-76. The proceeds from this bond issue cannot be used for development at existing units or new acquisitions of the State Park System.

The amounts required annually to pay principal and interest on bonds sold under this authority are appropriated from the General Fund.

Argument in Favor of Proposition 20

Proposition 20 provides the money to build recreation facilities at the lakes and on selected sites of the streams and canals of the California Water Project. This project includes 18 lakes and some 800 miles of streams and canals in Northern, Central and Southern California. To make these available as recreation sites for the millions of Californians who need them we must have access roads, parking places, camping and picnic sites, fish stocking programs and facilities for fishing, boating, swimming and just enjoying the out-of-doors.

It is a necessity to develop these sites, not a luxury. Without the physical facilities to handle large crowds, the fire and pollution hazards would force large expenditures by federal, state and local governments to close or police these sites.

There are 20 million people in California and more to come. Literally millions will be looking to these lakes, streams, and canals for their enjoyment of outdoor recreation and fish and wildlife resources that can be created with funds from this bond issue.

The issue is now squarely before the voters of California. Either we provide the funds for the developments now or delay them for many years—perhaps permanently.

The best way to provide the funds needed now is by a bond issue. A bond issue is repaid over many years. Thus the recreation and fish and wildlife costs as well as the benefits can be shared by both present and future generations.

It is argued that the bonds bear interest and that this increases the cost. So far as it goes, this is true but it is only part of the story. The longer we delay in providing these facilities the more they will cost because of the constantly rising price level.

The State Water Project is now 90% complete or under construction. The lakes, and canals are either built or soon will be. Recreation use of these areas by people will follow.

So, in the final analyses we are faced with two alternatives. We can provide adequate recreational facilities at these sites in order to fully enjoy and protect them. Or, we will be forced to spend large sums of money trying to keep people away from the lakes and canals, and fight the fires and clean up the pollution which will occur when they use the sites without adequate facilities.

The only logical course of action is to provide recreational development funds NOW.

Your yes vote for Proposition 20 will make this possible.

WILLIAM E. COOMBS,
State Senator

WILLIAM PENN MOTT JR.,
Director, Department of
Parks and Recreation

VERNON SMITH, President
California Wildlife Federation

Rebuttal to Argument in Favor of Proposition 20

One might properly expect more candor and less sophistry in the arguments of the proponents for this bond issue. While "800 miles of streams," lakes and canals are gratuitously described as the object of this Proposition, nowhere is there given any inventory of any lake, stream or canal proposed to be improved and made available to the public. The specific amounts to be spent out of this bond issue for each project are already known and committed. Why are they not disclosed?

If a list of immediate recreation needs in California were also to be made known it would become immediately evident that the improvement of reservoir sites, which alone is the purpose of this issue, would be far below these immediate priorities. We are vitally in need of recreational facility development. There is no question about that. But to tax the people of California for limited use reservoir sites in a few counties does not with integrity address itself to the far more important and immediate recreational needs of our state.

These reservoir sites are already publicly owned. The immediate recreational priority in California is acquisition of lands that shortly will otherwise be lost to us forever. Furthermore, any general state bond issue should relate to the needs of all California and not be dedicated to creating a desired political image by refurbishing the financially deficient State Water Project through completing water projects under the guise of "recreational" bond issue.

JOHN A. NEJEDLY
Senator, 7th District

Argument Against Proposition 20

This bond proposition now presented to the voters of California should be understood. In November of 1960, the people of California were asked to approve a bond issue of one billion seven hundred and fifty million dollars for a State Water Project. Particular emphasis was placed upon the "recreational benefits" of specific facilities in order to persuade voters to support this project. While the language of the State Water Project was not sufficiently precise to create a legal obligation, the moral responsibility was quite clear and the voters understood that the recreational benefits extolled would, in fact be provided.

Because of grossly inadequate initial financing, all sources of financing that have been injected into this deficient State Water Project have failed to provide funds for recreational use of project facilities, and even to complete the State Water Project at least \$300,000,000.00 in additional financing will be required.

It is important as well to understand the State Water Project facilities that are to be improved for "recreational purposes" from the proceeds of this bond issue. Seventy-one percent of the proceeds of Proposition 20 are to improve only five reservoir areas in Southern California, a determination deliberately made to attract Southern California voters because of this overwhelming local benefit while the taxes for these facilities must be paid for by the people of California, the vast majority of whom, including most Southern California residents, will never have practical access to these limited recreation developments.

Recreational uses of project facilities which were exaggerated in order to receive support for the project, will not be provided unless the voters of California approve additional bond issues to provide such recreational facilities or general funds of the State are made available. Absent such sources, the potential recreational uses of project facilities may never be realized for, as has been said before, the State Water Project is presently unable to fund necessary storage and transport facilities, let alone develop the ancillary recreational facilities.

A vote in favor of Proposition 20 is in fact a vote for additional funds for the State Water Project to provide recreational uses of State Water Project facilities that were understood by the voters in 1960 to be included in the project costs. One might be constrained to accept this fact and vote for Proposition 20 knowing that recreational facilities will probably never otherwise be provided at State Water Project facilities despite assurances in

1960 to the contrary. However, the taxpayers of California should thoroughly understand what in fact has occurred and will occur as additional bond issues will be attempted in the future, and recognize the specific geographical limitations of this issue. Even more, the voters should recognize the failure of the State Water Project to provide in fact meaningful recreational opportunities absent continuing general fund commitments or general obligation bond issues to provide funds to develop recreational uses, the claimed provision of which was understood to be an original purpose of the State Water Plan.

JOHN A. NEJEDLY
Senator, 7th District

Rebuttal to Argument Against Proposition 20

The argument in opposition to Proposition 20 reflects more of an opposition to the State Water Project than to this plan for providing financing for facilities on Water Project sites already developed.

Some people seek to imply the State Water Project Bonds in 1960 were intended to provide funds to develop recreational facilities. Actually, the project was primarily designed and constructed to provide water for the dry areas of the state. Concurrently, it was intended to make use of the opportunity to provide badly needed recreational facilities for a rapidly growing population.

On the other hand it cannot be fairly said that there was expressed or implied any true legal or moral responsibility to fund recreational facilities from the 1960 bond issue. It has long been recognized that the funds provided by the 1960 Bond Act would be necessary to build the basic water project facilities and that recreational development would have to be funded from other sources. In fact, the Legislature made this clear when it passed the Davis-Dolwig Act in 1961.

The issue before the voters is not the State Water Project. That is already an accomplished fact.

The real question is whether the voters of California are willing to pay for developing the recreational opportunities created by the plan. If they are, then Proposition 20 is a practical way to do it at present day prices instead of waiting for inflation to multiply the cost several times.

Vote YES on Proposition 20.

WILLIAM E. COOMBS,
State Senator

Wm. PENN MOTT, JR., Director
Department of Parks and Recreation

VERNON SMITH, President
California Wildlife Federation

PART II—APPENDIX

18	MOTOR VEHICLE TAXATION AND REVENUES. Legislative Constitutional Amendment. Authorizes use of revenues from motor vehicle fuel tax and license fees for control of environmental pollution caused by motor vehicles, and for public transportation, including mass transit systems, upon approval of electorate in area affected, such expenditure limited to 25% of revenues generated in area, also 25% of revenues apportioned to city or county may be used for such purpose.	YES	
		NO	

(This amendment proposed by Senate Constitutional Amendment No. 18, 1970 Regular Session, expressly amends an existing article of the Constitution by adding two new sections thereto; therefore, **NEW PROVISIONS** proposed to be **ADDED** are printed in **BOLDFACE TYPE**.)

PROPOSED AMENDMENTS TO ARTICLE XXVI

First—That Section 5 be added to Article XXVI, to read:

Sec. 5. (a) In addition to the purposes specified in Sections 1 and 2 of this article, moneys collected from a fee or tax described in those sections and available for expenditure on the public streets and highways may be used, as provided in this section, for capital expenditures to facilitate public transportation, including mass transit systems and the payment of principal and interest on any bonded indebtedness incurred for such systems.

(b) Such moneys available for expenditure for the construction of state highways in any county may be used in the county or a city within the county for such purposes as specified in subdivision (a), or in a single-county transit district within the county or a multicounty transit district which includes the county for capital expenditures for mass transit systems and the payment of principal and interest on any bonded indebtedness incurred for such systems, only if such use is authorized by a proposition approved by a majority of votes cast on the proposition in an election held throughout the entire county in the case of a county or single-county transit district, or throughout all of the counties in a multicounty transit district.

(c) Upon the approval of a proposition under subdivision (b) by a majority of votes cast on the proposition, the California Highway Commission shall construe this as a de-

cision of the county in the case of a county or single-county transit district, or of the counties in a multicounty transit district, to solve the transportation problems thereof through public transportation systems, other than state highways, to the extent of the expenditures of such moneys designated in subdivision (b) on such systems.

(d) If any of such moneys designated in subdivision (b) is used for the purposes designated in subdivision (a), the amount of such expenditures shall not exceed 25 percent of the amount of revenues specified in Sections 1 and 2 of this article generated in the county in the case of a county or single-county transit district, or in each of the counties in a multi-county transit district, that is available for state highway construction.

(e) Up to 25 percent of such moneys collected from a fee or tax described in Sections 1 and 2 of this article that are apportioned to any city, city and county, or county for city street or county highway purposes may be used by the city, city and county, or county for such purposes as specified in subdivision (a) only if such use is authorized by a proposition approved by a majority of votes cast on the proposition in an election held in the city, city and county, or county.

(f) The Legislature shall enact such legislation as is necessary to implement the provisions of this section.

Second—That Section 6 be added to Article XXVI, to read:

Sec. 6. (a) In addition to the purposes specified in Sections 1 and 2 of this article, moneys collected from a fee or tax described in those sections may be used for the control of environmental pollution caused by motor vehicles.

(b) The Legislature shall enact such legislation as is necessary to implement the provisions of this section.

19 **USURY.** Amendment of Usury Law Initiative Act, Submitted by Legislature. Deletes present misdemeanor penalty provisions for charging interest in excess of specified limits. Adds felony penalty provisions for an unlicensed or nonexempted person making or negotiating a loan providing for interest in excess of limits set by law.

YES

NO

(This law proposed by Assembly Bill 1868, 1970 Regular Session, expressly amends an existing section of the usury law; therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKEOUT TYPE**; and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BOLDFACE TYPE**.)

PROPOSED LAW

An act to amend an initiative act entitled "An act, to be known as the usury law, relating to the rate of interest which may be charged for the loan or forbearance of money, goods or things in action, or on accounts after demand, or on judgments, providing penalties for the violations of the provisions hereof . . ." approved by electors November 5, 1918, by amending Section 3 thereof relating to the law of usury, said amendments to take effect upon the approval of the electors.

Section 1. Section 3 of the act is amended to read:

Sec. 3. (a) Every person, company, association or corporation, who for any loan or forbearance of money, goods or things in action shall have paid or delivered any greater sum or value than is allowed to be received under the preceding sections, one and two, may either in person or his or its personal representative, recover in an action at law against the person, company, association or corporation who shall have taken or received the same, or his or its personal representative, treble the amount of the money so paid or value delivered in violation of said sections, providing such action shall be brought within one year after such payment or delivery. ~~And any person, company, association or corporation, who shall ask, demand, receive, take, accept or charge more than twelve per centum per annum upon the sum of money actually loaned for the forbearance, use or loan thereof, when the repayment of the money loaned shall be secured by a mortgage, trust deed, bill of sale, assignment, pledge, receipt or other evidence of debt, except corporation bonds, and municipal and other public bonds, upon property, real or personal or by assignment of wages, or ask, demand, receive, take, accept or charge more than an amount equal to five per cent so actually loaned and secured in all sums of one thousand dollars or less, and three per cent on all sums over one thou-~~

~~sand dollars in full for all examinations, views, fees, appraisals, commissions, renewals made within one year from date of loan and charges of any kind or description whatsoever, except abstracts or certificates of title charges made under the Torrens land law or otherwise, in the procuring, making and transacting of the business connected with such loans, or who shall ask, demand, receive, take, accept or charge any fee, bonus or commission whatsoever for the use or loan or the procuring of such loan of any sum of money for a shorter period than six months when said loan is not secured by a mortgage or pledge upon real estate, or shall violate the provisions of sections one and two of this act, shall be guilty of a misdemeanor and upon conviction thereof shall be punished for the first offense by a fine of not less than twenty-five dollars nor more than three hundred dollars, or by imprisonment not more than six months, or by both such fine and imprisonment, and for each subsequent offense and conviction shall be punished by a fine not less than one hundred dollars nor more than five hundred dollars and by imprisonment not less than six months nor more than one year. The penalties herein provided for the violation of this section and said sections one and two shall apply to and be imposed upon each member of any unincorporated company, association, or of any co-partnership and upon each officer and director of a corporation who shall violate either of said sections.~~

(b) Any person who willfully makes or negotiates, for himself or another, a loan of money, credit, goods, or things in action, and who directly or indirectly charges, contracts for, or receives with respect to any such loan any interest or charge of any nature, the value of which is in excess of that allowed by law, is guilty of loan-sharking, a felony, and is punishable by imprisonment in the state prison for not more than five years or in the county jail for not more than one year. This subdivision shall not apply to any person licensed to make or negotiate, for himself or another, loans of money, credit, goods, or things in action, or expressly exempted from compliance by the laws of this state with respect to such licensure interest or other charge, or to any agent or employee of such person when acting within the scope of his agency or employment.

20 **FOR THE RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT.** This act provides for a bond issue of sixty million dollars (\$60,000,000) to be used to meet the recreation and fish and wildlife enhancement requirements of the people of this state by planning and developing facilities for recreation and fish and wildlife enhancement purposes.

AGAINST THE RECREATION AND FISH AND WILDLIFE ENHANCEMENT BOND ACT. This act provides for a bond issue of sixty million dollars (\$60,000,000) to be used to meet the recreation and fish and wildlife enhancement requirements of the people of this state by planning and developing facilities for recreation and fish and wildlife enhancement purposes.

(This law proposed by Senate Bill 1268, 1970 Regular Session, adds a new article to the Water Code; therefore, **NEW PROVISIONS** proposed to be **ADDED** are printed in **BOLDFACE TYPE**.)

PROPOSED LAW

SECTION 1. Article 5.5 (commencing with Section 11922) is added to Chapter 10 of Part 3 of Division 6 of the Water Code, to read:

Article 5.5. Recreation and Fish and Wildlife Enhancement Bond Act

11922. The Legislature finds and declares that due to insufficient funds recreation and fish and wildlife enhancement facilities of state water projects are generally inadequate to accommodate the demands made upon them at the present time and will become critically inadequate as time progresses and that this condition is not in accordance with the policy of the Legislature as set forth in Sections 11900 and 11901.

11922.1. The Legislature further finds and declares that a guaranteed source of funding is necessary in order to carry out the intent of this chapter.

11922.2. The purpose of this article is to provide funds to assist in meeting the costs of planning and developing facilities for recreation and fish and wildlife enhancement in connection with state water projects pursuant to the provisions of this chapter as the same may now or hereafter be amended.

Funds made available pursuant to this article shall only be used for facilities of the State Water Facilities as defined in subdivision (d) of Section 12934.

11922.3. The expenditures of the proceeds of bonds issued pursuant to this article shall be as hereafter provided by the Legislature. All proposed appropriations for the program contemplated by this article shall be included section in the Budget Bill for each fiscal year for consideration by the Legislature, and shall bear the following caption: "Recreation and Fish and Wildlife Enhancement

Bond Act Program." Such section shall contain separate items for each project for which an appropriation is made, except Wildlife Conservation Board projects which are developed cooperatively with and maintained by local government. Wildlife Conservation Board Bond Act projects shall be subject to existing statutory procedures and legislative review and shall be listed in the Wildlife Conservation Board's annual report as the: "Recreation and Fish and Wildlife Enhancement Bond Act Program". Such appropriations shall be subject to all of the limitations contained in the Budget Bill and to all other fiscal procedures prescribed by law with respect to the expenditure of state funds. Such section shall contain proposed appropriations only for the programs contemplated by this article, and, except as otherwise provided, no funds derived from the bonds authorized by this article may be expended pursuant to an appropriation not contained in such section of the Budget Act.

11922.4. Bonds in the total amount of sixty million dollars (\$60,000,000), or so much thereof as is necessary, of which not more than fifty-four million dollars (\$54,000,000) shall be allocated to the Department of Parks and Recreation for the design and construction of recreation facilities and not more than six million dollars (\$6,000,000) shall be allocated to the Department of Fish and Game and the Wildlife Conservation Board for design and construction of fish and wildlife enhancement features and fishing access sites pursuant to this chapter, may be issued and sold to provide a fund to be used for carrying out the purposes of this article and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. Such bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California.

fornia are hereby pledged for the punctual payment of both principal and interest on such bonds as such principal and interest become due and payable.

11922.5. There is hereby appropriated from the General Fund in the State Treasury such sum annually as will be necessary to pay the principal and interest on bonds issued and sold pursuant to this article, as such principal and interest become due and payable. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, such sum in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on such bonds maturing in such year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of such revenue to do and perform each and every act which shall be necessary to collect such additional sum.

11922.6. The proceeds of bonds issued and sold pursuant to this article, together with interest earned thereon, if any, shall be deposited in the Recreation and Fish and Wildlife Enhancement Fund, which fund is hereby created. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

11922.7. The Recreation and Fish and Wildlife Enhancement Finance Committee is hereby created to carry out the purposes of this article. The committee consists of the Governor or his designee, the State Controller, the Director of Finance, the State Treas-

urer, and the Secretary for Resources. As used in this article, and for the purposes of this article as used in the State General Obligation Bond Law, "committee" means the Recreation and Fish and Wildlife Enhancement Finance Committee. The Secretary of the Resources Agency is hereby designated as the board for the purposes of this article and for the purposes of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3, Division 4, Title 2 of the Government Code).

11922.8. Insofar as it is not inconsistent with the express provisions of this article, the State General Obligation Bond Law [Chapter 4 (commencing with Section 16720) of Part 3, Division 4, Title 2 of the Government Code], is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to the bonds authorized to be issued by this article, and the provisions of that law are included in this article as though set out in full in this article.

11922.9. For the purposes of carrying out the provisions of this article the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purposes of carrying out this article. Any amounts withdrawn shall be deposited in the Recreation and Fish and Wildlife Enhancement Fund. Any moneys made available under this section shall be returned to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out the provisions of this article.

CERTIFICATE OF SECRETARY OF STATE

State of California, Department of State
Sacramento, California

I, H. P. Sullivan, Secretary of State of the State of California, do hereby certify that the foregoing measures will be submitted to the electors of the State of California at the GENERAL ELECTION to be held throughout the State on November 3, 1970, and that the foregoing pamphlet is correct.

Witness my hand and the Great Seal of the State, at office in Sacramento, California, the twenty-fourth day of August, 1970.



H. P. Sullivan
SECRETARY OF STATE

PROPOSED
AMENDMENTS TO CONSTITUTION

Rebuttal to Argument Against Proposition 15
To Be Submitted to the Electors of the
State of California at the

GENERAL ELECTION
TUESDAY, NOVEMBER 3, 1970

Pursuant to Sacramento Superior Court order the rebuttal argument printed below is submitted to accompany the arguments on Proposition 15. This should be read in conjunction with the argument against Proposition 15 which you will find at the top of page 27 in the first state ballot pamphlet.

REBUTTAL TO ARGUMENT AGAINST PROPOSITION 15

By court order this rebuttal argument is being furnished voters. The order resulted from a legal action which was brought to allow a rebuttal to be filed to the untruthful argument against Proposition 15.

The argument against Proposition 15 opposes only the deletion of Section 3.5 of Article XX of the state constitution which, as the legislative counsel's analysis states "NOW provides that the legislature may provide for the reentry and reinstatement into public office" of returning veterans (see voters pamphlet). The "no" argument states that we should not delete this section and "leave veterans protection at the mercy of future legislative action." The argument is not true because veterans' protection is now, has been, and in the future will be at the mercy of legislative action. In other words, the "no" argument is wrong when it declares that the constitution guarantees veterans rights. It does not do so, it merely states that the legislature may act in this area if it chooses to do so. May is permissive language which means that veterans rights could be deleted, increased, or changed by legislative action. The legislature does not need authority in the constitution to protect veterans rights and no argument that it does need this authority is made in the "no" argument. Therefore, the deleted section guarantees nothing and is undisputedly unnecessary to give the legislature power to act.

Proposition 15 passed both houses of the legislature without a dissenting vote. No opposition to it has been expressed by veterans' groups or anyone else other than Assemblyman Veysey who voted for the measure the same day his "no" argument was filed.

Proposition 15 originated with the California Constitution Revision Commission which approved the proposals in this measure unanimously and before whom no opposition to the proposals was expressed.

Vote "yes" on Proposition 15 and strengthen state government by giving us a strong state constitution instead of one cluttered with unnecessary language.

JUDGE BRUCE W. SUMNER
Chairman, California Constitution
Revision Commission

Distributed by

H. P. SULLIVAN, Secretary of State

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